



BS/EN/WG/R(2007)2

**REPORT OF THE
MEETING OF THE
BSEC WORKING GROUP ON ENERGY**

Ankara, 2-3 October 2007

1. The Meeting of the BSEC Working Group (WG) on Energy was held in Ankara on 2-3 October 2007.
2. The Meeting was chaired by Mr. Yusuf YAZAR, Deputy Undersecretary, Ministry of Energy and Natural Resources of the Republic of Turkey.
3. The Meeting of the Working Group was attended by the following BSEC Member States:
 - Republic of Albania
 - Republic of Armenia
 - Republic of Azerbaijan
 - Republic of Bulgaria
 - Georgia
 - Hellenic Republic
 - Republic of Moldova
 - Romania
 - Russian Federation
 - Republic of Serbia
 - Republic of Turkey
 - Ukraine
4. The Meeting was attended by the representatives of the Republic of Belarus, Republic of France, Republic of Tunisia and the European Commission as BSEC Observers.
5. The representatives of the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) and BSEC Business Council also participated in the Meeting.

The List of Participants is attached as Annex I.

6. The Chairman delivered a welcoming speech and wished fruitful deliberations to the participants of the Meeting.

7. The Draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted by the Working Group, is attached as Annex II.

EXCHANGE OF INFORMATION ON RECENT DEVELOPMENTS AND ACTIVITIES IN THE FIELD OF ENERGY IN THE BSEC MEMBER STATES

8. The delegations of the Member States presented the developments and implementation of bilateral and multilateral projects in the field of energy in their respective countries.

9. The WG invited the delegations to forward to BSEC PERMIS, in electronic form, the said presentations and energy updates for further dissemination to the Member States.

STATE OF IMPLEMENTATION OF THE DECISION BY THE BSEC MINISTERS OF ENERGY ON PREPARATION OF THE COMPENDIUM OF ENERGY STRATEGIES OF THE BSEC MEMBER STATES

10. The WG took note of the information provided by PERMIS on the state of affairs regarding the collection of the National Energy Strategies and the replies to the energy Questionnaire from the Member States. To this date, eleven Member States have replied to the energy Questionnaire and five have forwarded their National Energy Strategies to PERMIS.

11. The WG elaborated extensively on this issue, emphasized its significant importance as a planned activity of the WG and with the view to finalize this procedure and draw concrete conclusions for the benefit of Member States cooperation in the field of energy, decided to invite the Member States who have not yet done so, to forward to PERMIS the respective information by the end of January 2008. The WG clarified that contributions by Member States could include official energy policy documents even if they are not strictly titled “National Energy Strategy”.

12. The WG wishes to conclude this procedure in order to implement the decision of the BSEC Ministers of Energy and the BSEC Council and to progress with its work for effective cooperation in the field of energy. For this reason, the WG decided that PERMIS should disseminate to Member States and the ICBSS, any new contribution, 30 days before its next Meeting.

13. In addition, the Working Group instructed PERMIS to elaborate on the ways and means to proceed with the said publication and the actions to follow, and to present these at the next Meeting.

14. The delegations of the Republic of Albania, the Republic of Armenia, Georgia, the Republic of Moldova and Ukraine expressed their readiness to present formally to PERMIS, in the near future, their National Energy Strategies.

15. The delegation of the Russian Federation reiterated its willingness, in line with the decision of the BSEC Ministers on Energy (Sochi, 27 September 2006), to convene a conference in order to present and analyze the final results of this study with the view to find the most realistic and

beneficial approach for energy collaboration among BSEC Member States.

16. The WG took note of the Recommendation by the BSEC Council (Belgrade, 19 April 2007) welcoming the acceptance by the ICBSS of the request of the WG on Energy (Istanbul, 12-13 February 2007) to produce an analytical study of the information provided by the Member States to the Energy Questionnaire regarding the implementation of the two Ministerial Declarations and the Plan of Action in the field of regional cooperation in energy.

17. The WG expressed its appreciation to the ICBSS for willingly assuming to produce an analytical study of the respective information and proposed to address the ICBSS, and invite its representative to participate at the next Meeting of the WG with the view to examine the objectives and methodology of such study.

18. In addition, the WG took note of the information provided by PERMIS regarding a publication by ICBSS on “Energy Cooperation among the BSEC Member States” which is an independent policy proposal drafted by John Roberts, an energy expert and collaborator of ICBSS. The publication will soon be available on the website of ICBSS, as well as in hard copy.

19. Furthermore, based on the provisions of the following Ministerial Declarations, the General Directorate of Electrical Power Resources, Survey and Development Administration of the Republic of Turkey (EIE) presented the following information:

- the Baky Ministerial Declaration on energy cooperation in the BSEC region (Baky, 19 September 2003) which reads as follows: *“To take all necessary measures towards improving energy efficiency”*

- the Alexandroupolis Ministerial Declaration on energy cooperation in the BSEC region (Alexandroupolis, 4 March 2005) which reads as follows: *“To intensify cooperation towards improving energy efficiency and promoting the use of renewable energy sources”*

20. Within the framework of the above mentioned provisions of the two Ministerial Declarations EIE’s cooperation with BSEC Member States on energy efficiency and renewable energy up to date has been realized as follows: with the organization of various workshops, seminars and meetings in the scope of BSEC activities and information exchange.

21. In particular, EIE organized an Energy Efficiency Workshop in Ankara on 6–7 September 2007 during the BSEC Chairmanship of the Republic of Turkey, with the participation of nine Member States. Moreover, EIE started the first initiative in this area and is also ready for further cooperation on energy efficiency.

22. In addition, the delegation of the Republic of Turkey presented the conclusions of the Workshop on Coal Preparing and Washing Technologies that was held in Ankara on 25-27 September 2007.

23. Emphasizing the importance of enhancing of the cooperation among BSEC Member States in the Black Sea Region during the BSEC Chairmanship of the Republic of Turkey, the Turkish Coal Enterprises (TKI) organized a Workshop on Coal Preparation and Washing Technologies in

Ankara on 25 September 2007.

24. In addition, a technical visit to washery and open pit mines was arranged on 26-27 September 2007 in ELİ of TKİ, Soma.

25. The event was attended by six BSEC Member States, the BSEC Secretariat, as well as governmental and private companies of Turkey.

26. During the Workshop of “Coal washing and preparation technologies” cooperation possibilities among BSEC MS were discussed.

DISCUSSION ON THE STATE OF IMPLEMENTATION OF THE PROVISIONS OF THE BAKY AND ALEXANDROUPOLIS DECLARATIONS AND THE SOCHI STATEMENT OF THE BSEC MINISTERS OF ENERGY, PURSUANT TO THE RESOLUTION OF THE BSEC COUNCIL HELD IN MOSCOW ON 1 NOVEMBER 2006

27. The WG took note of the respective Council Resolutions (Belgrade, 19 April 2007) regarding the implementation, by the Working Groups, of its Resolutions, Decisions and Recommendations, as well as the follow-up to the Declarations and Joint Statements of the Ministers in the particular area of cooperation.

28. In this respect, the WG took note of the appointment by Romania of its representatives to the WG on Energy on a long term basis.

29. Furthermore, the WG invited the remaining Member States to consider appointing their representatives to the WG on Energy on a long term basis.

DISCUSSION ON THE EVALUATION REPORT OF THE ACTIVITIES OF THE WGE PREPARED BY THE REPUBLIC OF AZERBAIJAN IN THE CAPACITY OF COUNTRY-COORDINATOR OF THE WGE DURING 2005-2007

30. The WG took note of the presentation by the Republic of Azerbaijan of the “Evaluation Report of the activities of the Working Group on Energy” for the period 2005-2007, in its capacity as outgoing Country-Coordinator and in line with the provisions of the respective BSEC Council Resolution (Moscow, 1 November 2006).

31. The WG expressed its satisfaction to the Republic of Azerbaijan for preparing and presenting the said important document and elaborated further on this issue. Nevertheless, the WG wishes to express its appreciation also to the BSEC Business Council for its active participation to the activities of the WG, its support and ideas that contribute to the dialog of the Member States in the field of energy.

32. The WG, with the view to capitalize on the conclusions and proposals of the said document, suggested that these be considered in the drafting and implementation of the Action Plan for the current two year period.

33. The WG decided to submit the following draft Decision to the Committee of Senior Officials for consideration by the Council:

“The Council took note of the Report of the Working Group on Energy (Ankara, 2-3 October 2007) and expressed its appreciation to the Republic of Azerbaijan for presenting the Evaluation of the activities of the Working Group on Energy for the period 2005-2007, in its capacity of outgoing Country Coordinator. The Council encouraged the said Working Group to consider the respective issues with the view to improve the effectiveness of its activities”

PRESENTATION AND DISCUSSION OF THE DRAFT PLAN OF ACTION PREPARED BY THE REPUBLIC OF ARMENIA IN THE CAPACITY OF THE COUNTRY-COORDINATOR OF THE WGE FOR THE PERIOD 2007-2009 AND ON THE MEASURES TO BE UNDERTAKEN FOR ITS EFFECTIVE EXECUTION

34. The WG took note of the presentation by the Republic of Armenia of the draft Plan of Action of the BSEC Working Group on Energy for the period 2007-2009.

35. The WG elaborated on the said document and adopted it, in principle, with modifications. Moreover, the delegations of the Member States may additionally present their positions in view of the next Meeting of the Committee of Senior Officials. The Action Plan, as adopted, is attached as Annex III to the Report.

36. Furthermore, the WG expressed its appreciation to the Republic of Armenia for drafting the said document that will guide the activities of the WG for the period 2007-2009. The WG, in line with the respective Resolution of the Council (Belgrade, 19 April 2007), called upon the forthcoming BSEC Chairmanships to consider it with regard to the Calendar of Events.

37. The WG decided to submit the following draft Decision to the Committee of Senior Officials for consideration by the Council:

“The Council took note of the Report of the Working Group on Energy (Ankara, 2-3 October 2007) and expressed its satisfaction for the adoption of the Plan of Action for the period 2007-2009 prepared by the Republic of Armenia in its capacity of Country Coordinator for the respective period.

The Council, in line with its respective Resolution on the continuity of the activities of the Working Groups invited the forthcoming BSEC Chairmanships to consider the said Plan of Action in the planning of the Calendar of Events”

INFORMATION ON THE MEETING OF THE AD HOC WG ON COOPERATION BETWEEN BSEC MEMBER STATES IN EXPLORATION AND EXTRACTION OF

HYDROCARBON RESOURCES OF THE BLACK SEA HELD IN ISTANBUL ON 7 SEPTEMBER 2007

38. The WG took note of the Report of the first Meeting of the Ad Hoc Working Group on cooperation between BSEC Member States in Exploration and Extraction of Hydrocarbon Resources of the Black Sea (Istanbul, 7 September 2007), the respective draft Terms of Reference and its decision to recommend the Republic of Turkey as its Country Coordinator.

39. The WG expressed its satisfaction for the commencement of the activities of the said Ad Hoc Working Group and encouraged it to continue its deliberations in the respective energy field.

40. The Report of the said Ad Hoc Working Group will be submitted to the forthcoming Meeting of the Committee of Senior Officials for its consideration.

41. Furthermore, the WG took note of the presentation by the Republic of Turkey on the following issues:

- Information regarding the background and the activities of the said Ad Hoc Working Group
- Information regarding the “Terms of Reference” of the said Ad Hoc Working Group
- Brief information considering the Black Sea Oil and Gas Summit 2007 that was held in Istanbul on 5-6 September 2007 and submission of the presentations in CD format to the representatives of the Member States.

DISCUSSION ON COOPERATION POSSIBILITIES ON THE EFFECTIVE UTILIZATION OF COAL RESOURCES FOR POWER GENERATION AND ADVANCED TECHNOLOGIES, R&D, INVESTMENT AND FINANCING REQUIREMENTS BY 2030, SUCH AS CLEAN COAL TECHNOLOGIES

42. The WG took note of the presentation by the Republic of Turkey regarding the Turkish Coal Enterprises (TKI) and the important role of coal resources for the BSEC Region in the field of energy cooperation, production and development.

43. The WG took note of the information provided by the Republic of Serbia on this issue (this information is attached as Annex IV.)

44. Furthermore, the participants exchanged ideas on the issue of clean coal technologies and their applications. In this context, the WG took note of the proposal by the delegation of the Republic of Turkey regarding the need for a thorough consideration of the following subjects: coal exploration and exploitation, clean coal technologies (gasification, liquefaction etc.), advanced technologies, cooperation on effective utilization of coal resources for power generation, R&D studies and funding, investment possibilities, financing requirements and other related issues.

45. In order to give impetus to the process, the delegation of the Republic of Turkey expressed its readiness to host the first meeting on this subject.

PROJECT DEVELOPMENT FUND AND OTHER REGIONAL PROJECTS

- a) PDF Project Application “**Market potential for Hydrogen production from Hydrogen Sulphide in Black Sea and industrial waters**” submitted by institutions from Bulgaria (Lead Partner), Romania and Ukraine

46. The WG, in examining the said Application, took note of the pre-evaluation note prepared by PERMIS and in line with the respective Resolutions of the Council and the instructions of the Committee of Senior Officials decided to forward it to the Committee of Senior Officials for eventual endorsement.

47. The Working Group instructed PERMIS to communicate to the applicants any necessary amendments or improvements of the said application. In addition, the Working Group required from the Project Applicants to ensure that the research will be relevant to the future projects of the BSEC.

- b) PDF Project Application “**Novel Nanostructured Materials by Design for Hydrogen Storage Applications**” submitted by institutions from Greece (Lead Partner), Romania and Turkey

48. The WG, in examining the said Application, took note of the pre-evaluation note prepared by PERMIS and in line with the respective Resolutions of the Council and the instructions of the Committee of Senior Officials decided not to endorse it.

49. The Working Group thanked the Applicants but considered that the said Project Idea goes beyond the scope of the current Working Group activities.

ANY OTHER BUSINESS

50. The WG took note of the presentation by the representative of UNIDO-ICHET in Istanbul regarding the elaboration of an inventory of research institutions in the BSEC Member States active in Hydrogen and Fuel Cell research and development.

51. The Secretary General of the BSEC Business Council, reiterating his proposal presented at the previous Meeting of the WG on Energy (Istanbul, 12-13 February 2007), emphasized the importance of drafting such an inventory with regard to the future energy activities and developments of the BSEC Member States, recommended its further elaboration and completion by the WG, as well as convening a conference on this issue at an appropriate time in the future.

52. The WG expressed its satisfaction to the BSEC Business Council and UNIDO-ICHET for their efforts in drafting the said inventory and instructed PERMIS to disseminate it to the Member States for their consideration, completion and possible recommendations for further development. The document is attached as Annex V to this Report.

DATE AND VENUE OF THE NEXT MEETING

53. The date and venue of the next Working Group Meeting will be communicated to the Member States through BSEC PERMIS.

ADOPTION OF THE REPORT

54. The present Report will be submitted to the Committee of Senior Officials for consideration.
